



# DEPARTMENT OF MANAGEMENT AND BUDGET

## FAIRFAX COUNTY ECONOMIC INDICATORS ©

Publication 83

MARCH 1999

### MARCH HIGHLIGHTS

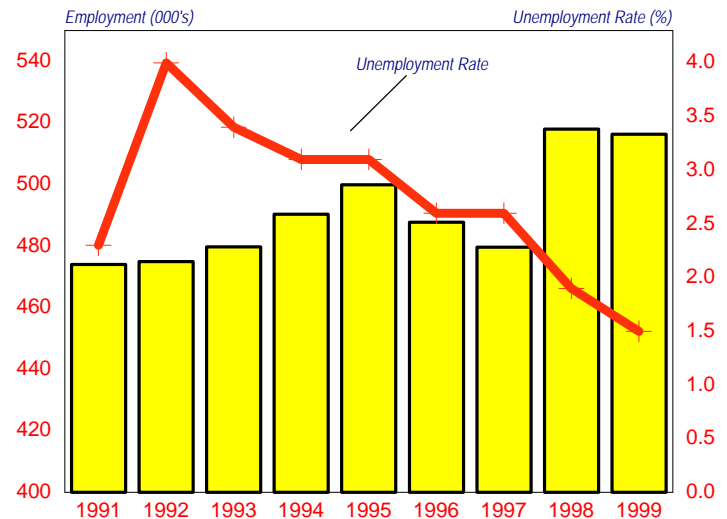
- ❑ Fairfax County's unemployment rate rose 0.1 point to 1.5 percent in January, according to data reported by the Virginia Employment Commission.
- ❑ The County's Sales Tax March receipts registered a strong gain of 31.2 percent. With this increase, Sales Tax receipts through March total \$77.2 million, and reflect a cumulative lead of 9.1 percent over the prior fiscal year. Other Northern Virginia localities also experienced significant gains in their March Sales Tax receipts.
- ❑ The number of new residential building permits issued through February 1999 leads the prior year by a significant 85.4 percent, or 786 permits. The number of non-residential permits issued through to date leads the prior year by 19.4 percent, or 6 permits.
- ❑ Nationally, issues of residential building permits through February lead the prior year by 9.4 percent.
- ❑ The volumes of all types of existing homes sold in January exceed that of last year by significant margins. Sales of new single family and townhomes in January has also outpaced the prior year, while that of new condominiums has fallen short.
- ❑ The Conference Board's South Atlantic Consumer Confidence Index made significant strides in February, gaining 8.2 points to 142.4. The national Consumer Confidence Index also gained in February, adding 3.2 points to 132.1.
- ❑ Both the Fairfax County Coincident and the Leading Indices advanced in January, suggesting a continuation of the current expansion on the local level. Comparatively, the Metropolitan Coincident made positive strides, while the Metropolitan Leading Index declined slightly. Both the Virginia Coincident and Leading Indices registered significant gains in January.

The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



### RESIDENTIAL EMPLOYMENT - JANUARY



Source: Virginia Employment Commission  
Compiled by the Fairfax County Dept. of Management and Budget

*Unemployment in the County remains low in January...*

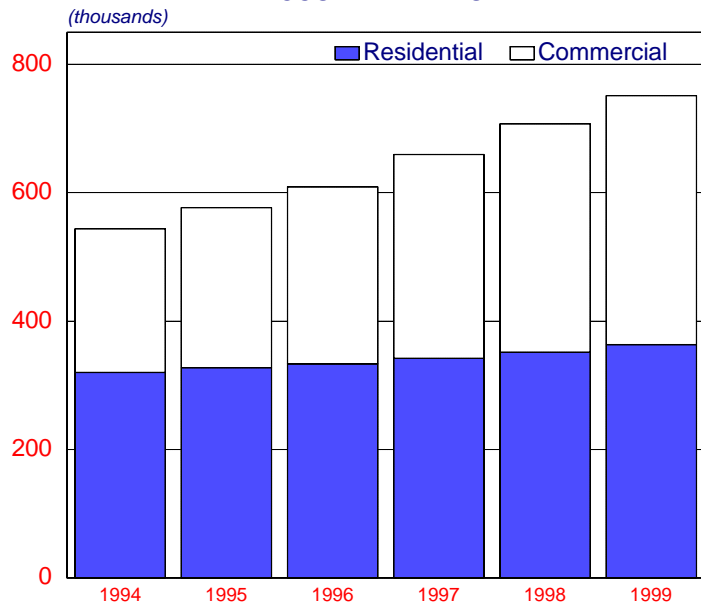
The County's unemployment rate increased 0.1 percentage point in January 1999 to 1.5 percent, according to the Virginia Employment Commission (VEC). This slight increase is mainly due to the elimination of seasonal employment in the retail sector. It should be noted, however, that January's unemployment rate is slightly below that of October 1998, prior to the holiday season. While January's unemployment rate is below the 1.9 percent registered in January 1998, the number of Fairfax County residents employed has contracted somewhat from the level registered one year ago. Based on preliminary figures, the VEC reports that 516,399 Fairfax County residents were employed in January 1999, a decrease of 0.3 percent, or 1,632, as compared to the prior year. This is the first decline in employment since mid-1997. When these preliminary data are revised next month, this minor contraction may disappear.

*Employment situation strong on State and national levels...*

The Commonwealth's unemployment rate also increased in January, gaining 0.2 percentage points to 2.9 percent, as reported by the VEC, while the national employment rate remained unchanged at 4.3 percent in January 1999.



### BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - FEBRUARY



Source: Bell Atlantic  
Compiled by the Fairfax County Dept. of Management and Budget

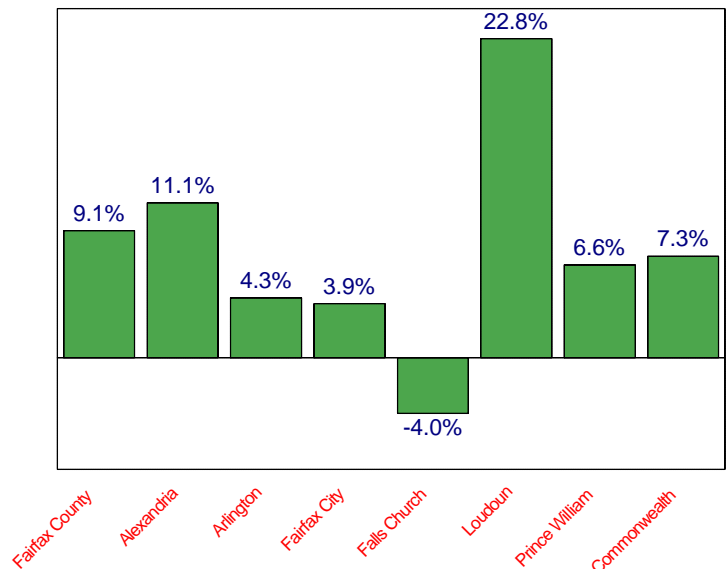
*Business sector continues to drive the addition of new telephone lines in the County...*

As of February 28, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 751,327 telephone lines, up 43,689 lines, or 6.2 percent, over February 1998. Consistent with recent trends, the business sector is driving this growth, adding 32,177 new telephone lines for an increase of 9.1 percent over the prior year. Residential telephone lines totaled 363,448 as of February 1999 and topped last February by 11,512 lines, or 3.3 percent.

*County Sales Tax receipts through March leading last year by 9.1 percent...*

Fairfax County's March Sales Tax receipts, representing retail purchases made in January, were \$9.9 million and reflect a significant gain over last year of 31.4 percent. To date, the County's fiscal year Sales Tax receipts total \$77.2 million and lead the prior year by 9.1 percent.

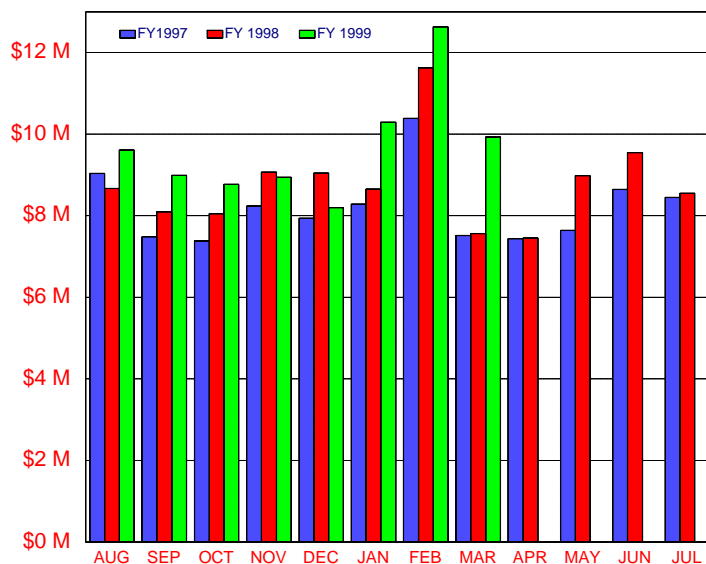
### FY 1999 SALES TAX RECEIPTS -THROUGH MARCH



Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

### SALES TAX REVENUES

(revenues represent retail sales two months prior)



Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

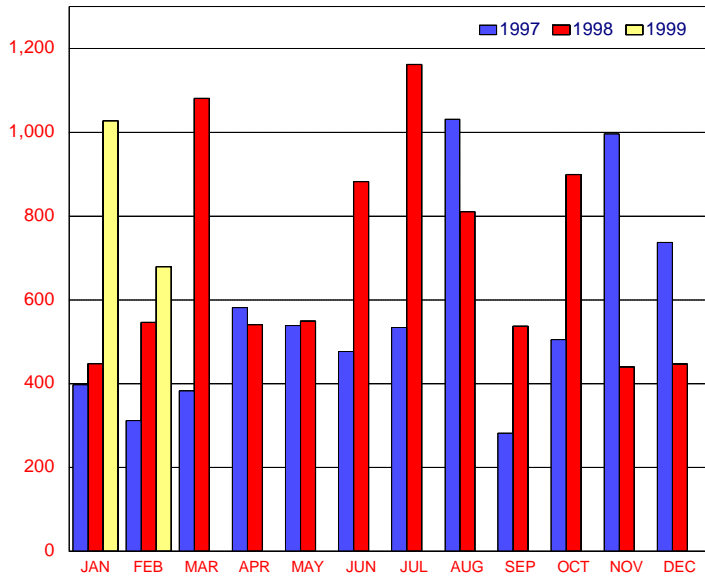
*March Sales Tax receipts strong in Northern Virginia...*

Officials at the Virginia Department of Taxation indicate that Sales Tax receipts for most localities were up sharply in March. In Northern Virginia, the only jurisdiction to experience a single digit increase in March was Falls Church with a 7.0 percent gain. Cumulative fiscal year Sales Tax receipts through March are up 22.8 percent in Loudoun, 11.1 percent in Alexandria, 6.6 percent in Prince William, 4.3 percent in Arlington, and 3.9 percent in Fairfax City. By contrast, Falls Church Sales Tax receipts through March trail last year by 4.0 percent. On the whole, Sales Tax receipts in the Commonwealth registered an increase of 16.9 percent. With this increase, the Commonwealth's cumulative Sales Tax receipts through March lead the prior fiscal year by 7.3 percent.

*Retail sales on the national level up 5.5 percent in January...*

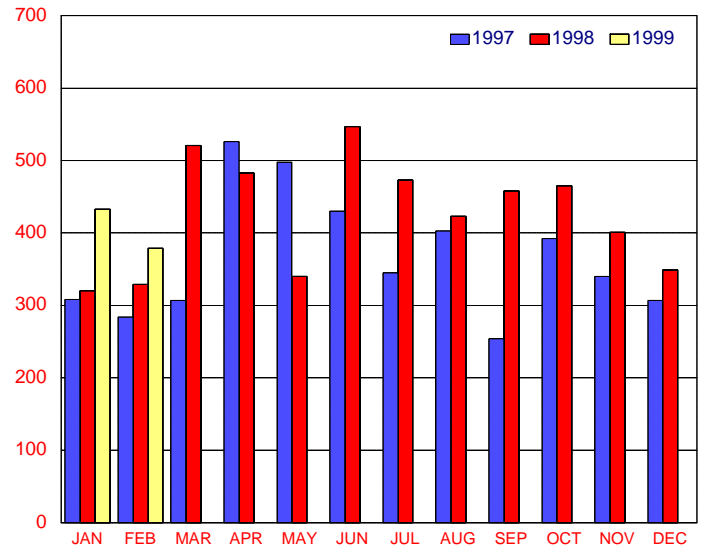
According to the Commerce Department, retail sales on the national level in January top the prior year by 5.5 percent, with Durable goods sales posting a gain of 5.7 percent. Non-durable goods sales topped the prior year by 5.3 percent with five of the six major components making positive contributions. General Merchandise stores as well as Drug and Proprietary Stores recorded the more significant gains, while Gasoline Service Stations registered further declines.

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

**Issues of residential dwelling permits up 85.4 percent through February....**

Issues of new residential dwelling permits in February registered a gain of 32.6 percent, or 167 permits. As a result, the 1,706 permits issued through February lead the prior year by 85.4 percent, or 786 permits. Permit issues for multifamily structures total 894 through February, up a significant 163.7 percent, or 555 permits, while the 812 permit issues for single family structures exceed the prior year by 40.0 percent, or 231 permits.

By contrast the number of residential repair and alteration permits issued through February 1999 indicate a deficit of 11.8 percent, or 165 permits relative to last year.

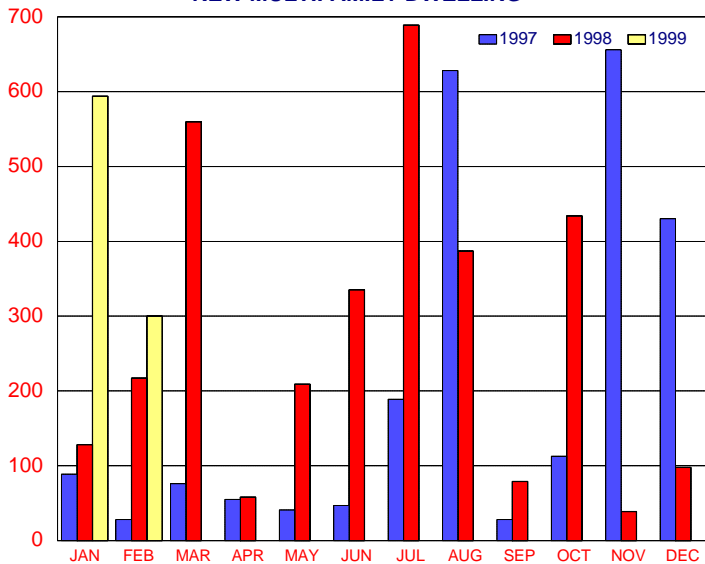
**Housing starts up 15.5 percent on national level for first two months of 1999...**

On the national level, new privately owned housing starts through February outpaced the prior year by 15.5 percent according to the Commerce Department. Regionally, the South registered the greatest lead with a 27.8 percent increase, followed by gains of 10.0 percent in the West and 1.7 percent in the Northeast. By contrast, housing starts in the Midwest for the first two months of the year trail the same period in 1998 by 5.0 percent.

**Issues of residential building permits up 9.4 percent nationwide through February....**

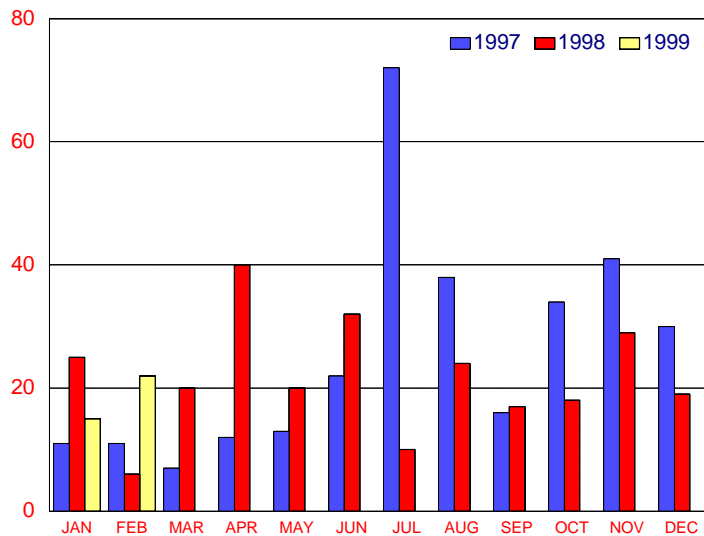
The Commerce Department also reported that the number of residential building permits issued nationwide through February exceeded that of last year by 9.4 percent, with growth varied in the four regions. Residential building permit issues are up 18.1 percent in the South, 4.3 percent in the West, and a slight 0.6 percent in the Northeast. By contrast, residential building permit issues are down through February in the Midwest with a deficit of 3.3 percent.

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

## NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES



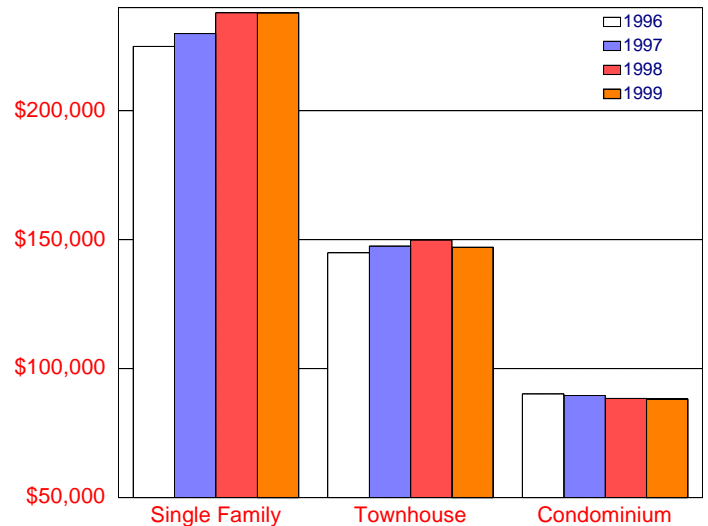
Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

*Nonresidential building permit issues through February top last year by 19.4 percent, or 6 permits...*

The number of nonresidential building permits issued in February far exceeded that of last year, reversing January's decline. As a result, the 37 nonresidential permits issued to date top the prior year by 19.4 percent, or 6 permits. Through February, 638 nonresidential repair and alterations permits have been issued, up 7.4 percent, or 44 permits, over the same period last year.

## HOME SALES IN FAIRFAX COUNTY

### MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY 1999 COMPARED TO ANNUAL MEDIAN PRICES 1995 - 1998

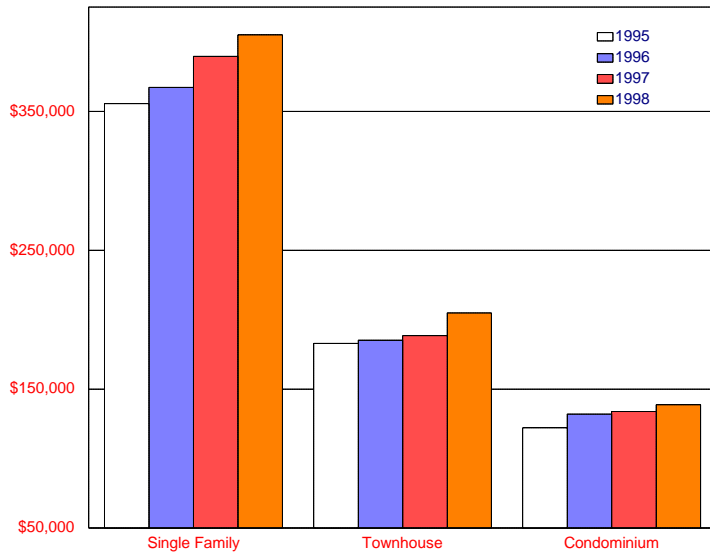


Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Based on January sales data, the median selling price of existing single family homes is unchanged from 1998...*

Based on January sales data, the median selling prices of existing homes has changed only slightly from that which was established in 1998. Please note, however, that these data reflect only one month of sales and are subject to revision as staff verifies each transaction. In January, existing townhomes registered a median selling price of \$147,000, a decrease of 1.9 percent, or \$2,900, compared to 1998's \$149,900. The median selling price of existing condominiums sold in January indicate a median selling price of \$88,250, down a slight 0.3 percent, or \$250, relative to 1998. The median selling price of existing single family homes in January is unchanged from the \$238,000 established in 1998.

**MEDIAN PRICE OF NEW HOMES SOLD  
JANUARY 1999 COMPARED TO  
ANNUAL MEDIAN PRICES 1995 - 1998**

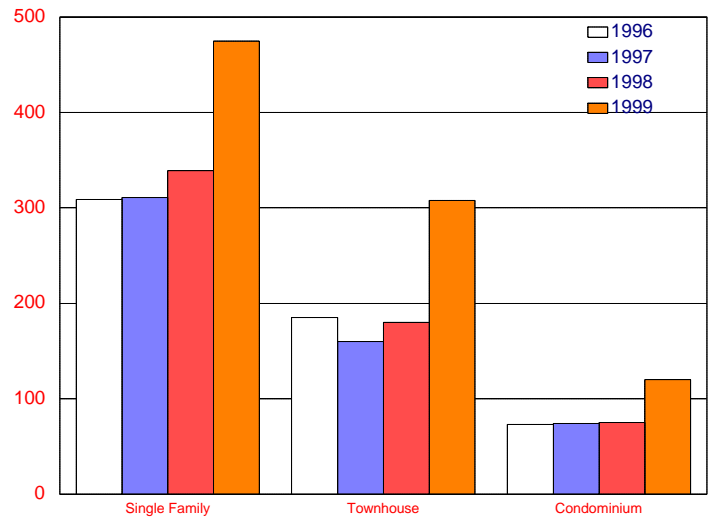


Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*New homes selling at higher prices in 1999, based on January data...*

January sales data indicate increases in the median selling prices of all types of new homes, as compared to the levels established in 1998. As mentioned earlier, these data reflect only one month of sales and are subject to revision as staff verifies each transaction. The most significant increase is reflected in the median selling price of new condominiums, which tops 1998 by 20.3 percent, or \$28,210, to \$167,000 from 1998's \$138,790. The median price of new townhomes sold in January indicate an increase of 6.7 percent, or \$13,768, to \$218,768 from the \$205,000 established in 1998. The median selling price of new single family homes is up a more moderate 3.2 percent, or \$12,958, to \$417,923 compared to the \$404,965 established in 1998.

**NUMBER OF EXISTING HOMES SOLD  
JANUARY 1996-1999**



Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Volume of existing homes sold up in January...*

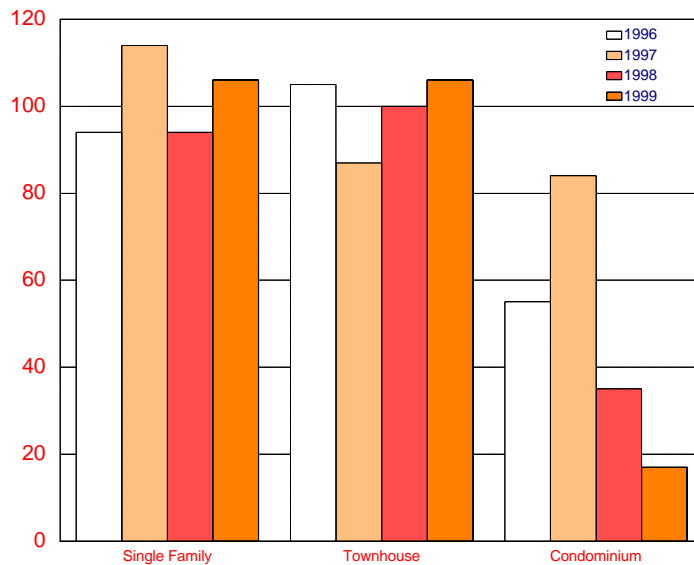
The January sales volumes of all types of existing homes outpaced that of the prior year by significant margins. In January, 308 existing townhomes were sold, up 71.1 percent, or 128 units, compared to January 1998. Sales of existing condominiums totaled 120 for the first month of 1999, an increase of 60.0 percent, or 45 units, relative to last January. The 475 existing single family homes sold in January top the prior year by 40.1 percent, or 136 homes.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD  
JANUARY 1999 COMPARED TO 1998 ANNUAL**

	Existing Sales	New Sales
Single Family	0.0	3.2
Townhouse	-1.9	6.7
Condominium	-0.3	20.3

Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

## NUMBER OF NEW HOMES SOLD JANUARY 1996-1999



Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Sales volume of new condominiums dips below prior year in January...*

In January, the sales volumes of new single family homes and townhomes increased, while that of new condominiums lagged. A

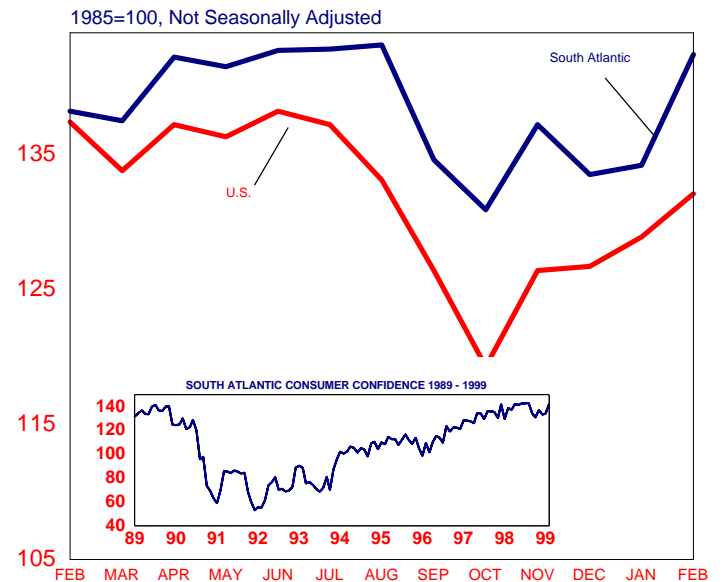
total of 106 single family homes were sold in January, indicating an increase of 12.8 percent, or 12 units, compared to January 1998. Additionally, 106 new townhomes were sold in January, topping last year by 6.0 percent, or 6 units. By contrast, the 17 new condominiums sold in January trail the same period in 1998 by 51.4 percent, or 18 units.

*New home sales up nationwide in January...*

The volume of new homes sold nationwide in January topped that of the prior year by 3.1 percent, according to the Commerce Department. New home sales were quite varied in the four regions. The West and the South registered increases of 11.8 percent and 3.1 percent, respectively, while the Midwest and the Northeast recorded declines of 9.1 percent and 37.5 percent, respectively.

## ADDITIONAL INDICATORS

### CONSUMER CONFIDENCE INDICES



Source: Conference Board  
Compiled by the Fairfax County Dept. of Management and Budget

*Consumer confidence strengthens in February...*

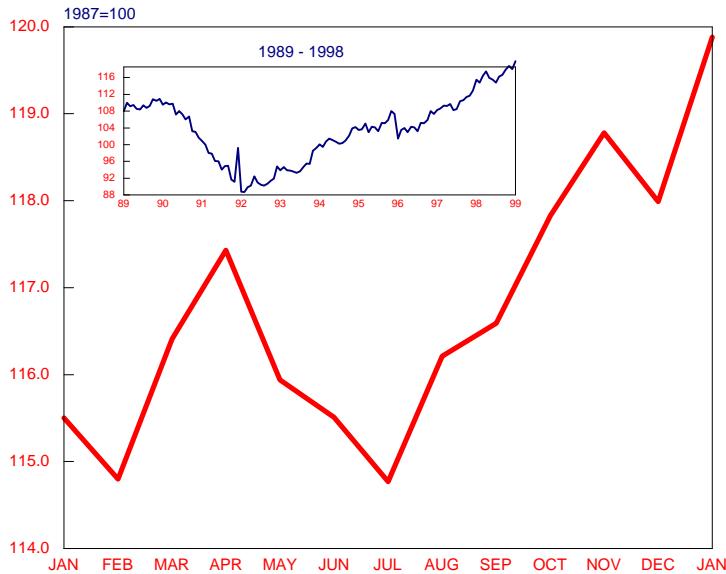
The Conference Board's South Atlantic Consumer Confidence Index increased sharply in February, gaining 8.2 percentage points to 142.4, following a more modest increase in January. The South Atlantic Consumer Confidence Index has increased 3.6 points over the last 12 months. The national Consumer Confidence Index also gained in February, adding 3.2 points to 132.1. Despite this increase, the national Index trails the prior year by 5.3 points.



The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy, and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

Please note that the Leading and Coincident Indices for both Fairfax County and the Metropolitan area have been revised to reflect updated consumer price data and various statistical adjustments. No changes were made in the economic components incorporated in the indices. The scales have been expanded to give the indices greater vertical dimension, which will make it easier to detect minor fluctuations in monthly performance. The monthly values of the indices and their components have been revised back to 1986.

### FAIRFAX COUNTY COINCIDENT INDEX



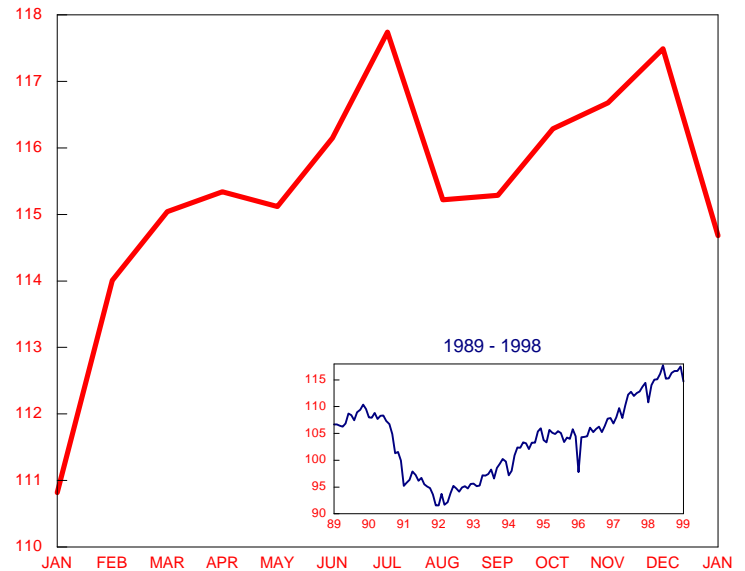
Sources: Center for Regional Analysis, George Mason University  
Fairfax County Dept. of Management and Budget

*County economy does well in January...*

The Fairfax County Coincident Index, which represents the current state of the County's economy, increased 1.6 percent to 119.88 in January. The upswing in the economy reversed December's decline, and now points towards a sustained, upward trend. The primary gain came from Sales Tax receipts, which, adjusted for inflation and seasonal variation, were up significantly, after being down for three months. Total employment was up moderately, while Transient Occupancy Tax collections were down for the first time in seven months, and consumer confidence declined for a second consecutive month.

**Fairfax County**

### METROPOLITAN COINCIDENT INDEX



Source: Center for Regional Analysis, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

*Metropolitan economy slips in January...*

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, lost 2.8 points to 114.7 in January. Despite this drop, the Index still leads the prior year by 3.9 points. All four of the Index's components were negative, with domestic airport passenger volume at Ronald Reagan National Airport reflecting the greatest decline. The other three components, non-durable goods sales, total wage and salary employment, and consumer confidence, decreased more moderately.

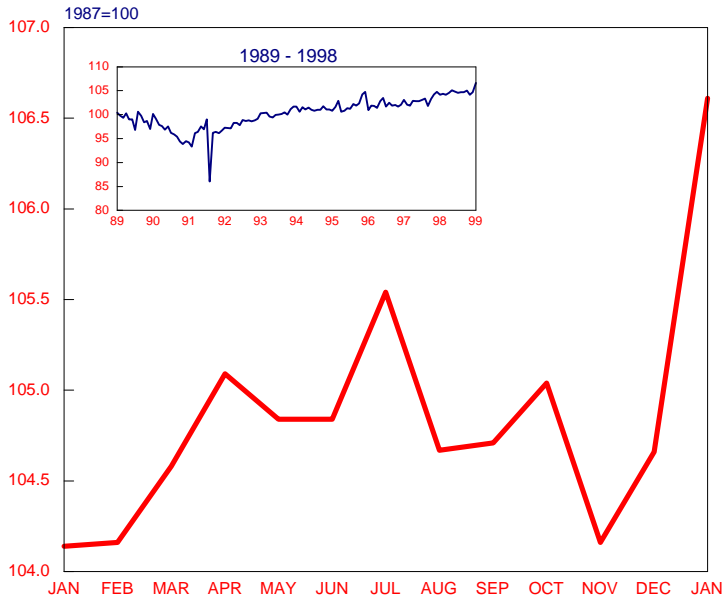


*Virginia economy fares well in January...*

Crestar Bank's Virginia Coincident Index gained 1.5 percent to 158.8 in January, registering the largest monthly increase since January 1989. The Index also reflected a 12-month gain of 3.9 percentage points, the largest year-over-year gain since September 1998. Five of the six components rose in January, with the largest contributions coming from non-farm employment, electricity consumption, and real average hourly wage, with more modest contributions from real taxable retail sales and manufacturing employment. By contrast, real bank deposits declined slightly.



## FAIRFAX COUNTY LEADING INDEX



Sources: Center for Regional Analysis, George Mason University  
Fairfax County Dept. of Management and Budget

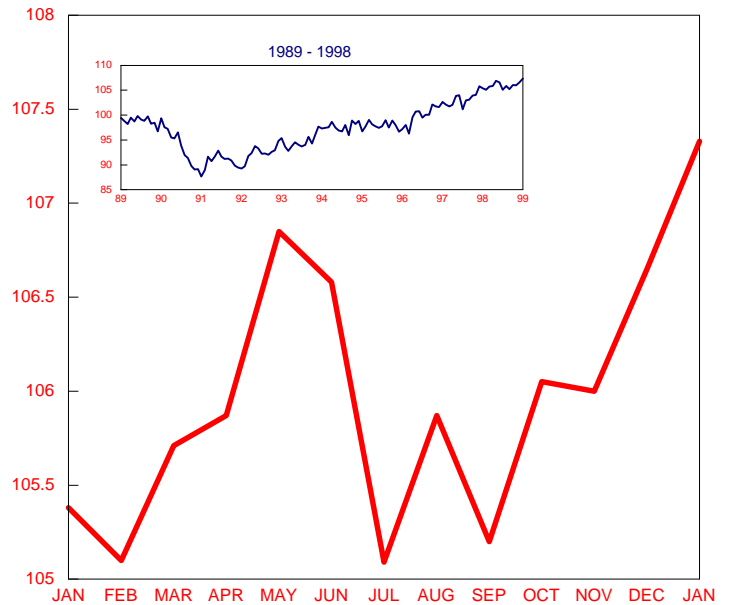
*Further expansion of County economy anticipated...*

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, increased

1.86 percent to 106.61 in January, reversing the downward/flat trend that has dominated since mid-1998. The Index registered its largest 12-month year-over-year gain in January with a 2.4 percent increase. Four of the Index's five components made positive contributions in January. Initial claims for unemployment insurance decreased (improved), consumer expectations (confidence six months hence) increased after being down in three of the prior four months, residential building permits were up, and the total value of residential building permits increased for the fourth time in five months. By contrast, new automobile registrations declined for the third time in four months.

Fairfax County

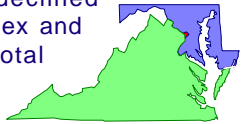
## METROPOLITAN LEADING INDEX



Source: Center for Regional Analysis, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

*Metropolitan Leading Index advances in January...*

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, gained 0.7 points to 107.3 in January. Of the Index's five components, three made positive contributions. Initial unemployment insurance claims declined (improved), as did the Help Wanted Index and consumer expectations. By contrast, total building permits declined significantly, while durable goods sales declined more moderately.



*Virginia economy anticipated to expand further...*

The Virginia Leading Index, produced by Crestar Bank, registered its third consecutive monthly increase, with a gain of 0.5 percent for January, and a 12-month gain of 3.9 percentage points. The Index is now at 168.9, with five of the nine components making positive contributions. New business starts registered the greatest gains, along with the U.S. Leading Index, while more modest contributions were made by newspaper ad lineage, initial unemployment claims, and residential building permits. By contrast, real nonresidential building contracts, new automobile registrations, the Virginia Stock Value, and average weekly hours in manufacturing all registered moderate declines.



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